

Message Text

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15/50

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 /026 W

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R 130927Z JUN 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4431

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C O R R E C T E D C O P Y MRN (8137 VICE 8135)V

E. O. 11652: NA

TAGS: EAIR, RP

SUBJECT: CIVAIR: PANAM APPLICATION FOR ALL-CARGO FREQUENCY

REF: MANILA 7056

1. EMBASSY HAS RECEIVED LETTER FROM LOCAL PANAM OFFICE
QUOTING FOLLOWING CABLE FROM ITS HOME OFFICE (A.J.
GROSSMAN).

QUOTE 1. WE WOULD SUGGEST A RELATIVELY BRIEF AND
NON-POLEMICAL REPLY MOTION REITERATING OUR AND THE
U.S. GOVERNMENT'S VIEW/EMBASSY OF MANILA NOTES OF
MARCH 7 AND 31, 1975, U.S. CAB LETTER OF MARCH 26, 1975
AND THAT THE INTERIM AIR AGREEMENT OF AUGUST 10, 1974
AUTHORIZES ALL-CARGO SERVICES BY THE CARRIERS OF BOTH
SIDES AND OBLIGATES THE GOVERNMENT OF THE PHILIPPINES
TO AUTHORIZE ALL-CARGO SERVICE BY PAN AMERICAN. SINCE
OUR APPLICATION RELIES UPON THE INTERIM AGREEMENT AS
EVIDENCE OF RECIPROCITY, WE ARE NOT REQUIRED TO PROVIDE
ECONOMIC JUSTIFICATION FOR THE SERVICE. NEVERTHELESS,
PRUDENT MANAGEMENT CONSIDERS THE SERVICE FULLY JUSTIFIED
ON ECONOMIC GROUNDS.

QUOTE 2. REQUEST EMBASSY TO SUPPORT OUR APPLICATION,
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IF POSSIBLE, WITH A FORMAL NOTE. STATE INFORMS US THAT

EMBASSY IS SO AUTHORIZED TO PROCEED. END QUOTE

2. WHILE WE HAVE OFFICIALLY MAINTAINED THAT PANAM'S PREVIOUS ALL-CARGO FLIGHTS WERE COMMERCIAL CARGO FLIGHTS, HISTORY OF THAT SERVICE SHOWS THAT IT WAS REQUESTED AND AUTHORIZED IN 1966 FOR MILITARY CARGO AND MAIL IN RESPONSE TO VIETNAM NEEDS. PERMIT SUBSEQUENTLY WAS EXPANDED TO INCLUDE 8,181 KILOS PER MONTH OF ORDINARY COMMERCIAL CARGO. THIS IS THE SPECIFIC ALL-CARGO SERVICE INCLUDED UNDER THE INTERIM AGREEMENT, ALONG WITH THE FTL PERMIT IN EFFECT AT THAT TIME.

3. THE PAN AM PROPOSAL NOW BEFORE THE PHILIPPINE CAB CALLS FOR A WEEKLY ALL-CARGO FLIGHT WITH UNLIMITED, THAT IS UNRESTRICTED, COMMERCIAL CARGO RIGHTS AT MANILA WHILE EMBASSY DOES NOT QUARREL WITH THE RIGHT OF ANY U.S. CARRIER TO SEEK SUCH A PERMIT UNDER THE INTERIM AGREEMENT, THE REQUEST NOW ON THE TABLE IS NOT RPT NOT IN THE EMBASSY'S JUDGEMENT A PART OF THE STATUS QUO WHICH WE HAVE ARGUED ESSENTIALLY WAS BOUND BY THE INTERIM AGREEMENT. THE FILIPINOS OF COURSE HAVE REJECTED ALL EFFORTS TO BIND GOP TO RECOGNITION OF ANY PAN AM ALL-CARGO RIGHTS IN THAT AGREEMENT.

4. EMBASSY WOULD AGREE WITH PAN AM ASSERTION IN QUOTED PARA 1 THAT NO ECONOMIC JUSTIFICATION IS NEEDED, IF THE RIGHT NOW REQUESTED WAS THE SAME AS THE RIGHT PREVIOUSLY TERMINATED, OR DID NOT EXCEED THE BOUNDARIES THEREOF. WHAT IS SOUGHT, HOWEVER, IS A NEW RIGHT, AND QUOTE SYMPATHETIC CONSIDERATION UNQUOTE, IF REASONABLY APPLIED, WOULD NOT MEAN AUTOMATIC APPROVAL. USE OF THE TERM TO MEAN AUTOMATIC WAS STRONGLY RESISTED BY BOTH SIDES IN NEGOTIATION. EMBASSY BELIEVES, THEREFORE, THAT PAN AM'S REFUSAL TO SUPPLY ECONOMIC JUSTIFICATION IS AN UNWARRANTED INTERPRETATION OF THE INTERIM AGREEMENT AND, IF USG INSISTS ON THE PAN AM VIEW, WILL ONLY CONTRIBUTE TO FURTHER UNDERMINING OF THE BILATERAL. MOREOVER, THERE IS PLAIN FACT THAT RECEIPT CAPACITY INCREASES BY U.S. AND PHILIPPINE COMBINATION CARRIERS, PLUS THE TERMINATION OF INDOCHINA-RELATED CARGO NEEDS, HAVE RESULTED IN CONSIDERABLE AT LEAST TEMPORARY EXCESS. TO INSIST THAT ADDITIONAL CAPACITY IS LIMITED OFFICIAL USE

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READILY JUSTIFIED APPEARS LESS THAN IMMEDIATELY SENSIBLE.

5. EMBASSY ACCORDINGLY IS HOLDING ANY ACTION ON PAN AM REQUEST IN ABEYANCE PENDING A REVIEW OF ISSUES BY DEPARTMENT, AND RECEIPT OF ANY NEW GUIDANCE DEPARTMENT MAY HAVE AT THIS TIME.

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Message Attributes

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Concepts: AIR CARGO, AIR ROUTES, AVIATION AGREEMENTS
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Draft Date: 13 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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